

**AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE  
AUTHORITY, HELD ON THE 5<sup>TH</sup> DAY OF OCTOBER 2015, 7:00 P.M., MULTI PURPOSE  
ROOM #2, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG,  
VIRGINIA:**

<b>PRESENT:</b>	William Brown	-Chair
	Christopher Tuck	-Vice Chair
	Mary Biggs	-Secretary-Treasurer
	Annette Perkins	-Member
	Matthew Gabriele	-Member
	Gary Creed	-Member
	Todd King	-Member
	Robert C. Fronk	-PSA Director
	Karri Cridlin	-Secretary to PSA Board
	Craig Meadows	-County Administrator
	Marty McMahon	-County Attorney

**ABSENT:**

**CALL TO ORDER**

Chair William Brown called the meeting to order and determined that a quorum was present.

**CONSENT AGENDA**

On a motion by Matthew Gabriele, seconded by Todd King, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated October 05, 2015.

The vote on the foregoing motion is as follows:

AYE

NAY

ABSENT DURING VOTE

Mary Biggs

Annette Perkins

William Brown

Christopher Tuck

Todd King

Gary Creed

Matthew Gabriele

**DIRECTOR'S REPORT**

**1. Monthly Activities Report**

The September 2015 report is attached for review.

**2. Virginia Department of Health Planning Grant**

We were awarded a \$50,000 Virginia Department of Health (VDH) Planning Grant on August 28, 2014 to develop a preliminary engineering report (PER) for the interconnections of PSA water systems required by the Joinder. Anderson and Associates (A&A) was awarded a contract on October 10, 2014 to prepare the PER.

The preliminary PER included projects required by the executed Amended and Restated Water Agreement as part of the Joinder. The project for the Bethel / Exit 109 area included supplying 95,124 gallons per day (gpd) for the three commercial projects previously rezoned and 1,000,000 gpd for an industrial development identified by the Montgomery County Economic Development Department.

The preliminary PER was completed and reviewed with VDH May 29, 2015. A revised PER was submitted to VDH June 23, 2015. Review comments from VDH were received September 3, 2015.

A&A reviewed the project/PER with the PSA Board of Directors during the June 2015 meeting.

However, subsequent to the June 23, 2015 PER submission to VDH, Montgomery County withdrew its support for the 1 million gallons per day (MGD) demand for an industrial park in the Bethel/Exit 109 area.

The PER revisions due to removal of the 1 MGD/Industrial Park are expected to change the previous project alignments and recommendations. A&A estimates additional project costs of \$9,200.00 to finish the PER due to these changes.

Currently we are waiting on confirmation from the NRV Regional Water Authority (NRVRWA) on the revised water demands for inclusion in the final PER.

**3. 2015 Draper Aden Water and Sewer Rate Study**

The "Rates Dashboard" summaries of PSA water and sewer rates from the 2015 Draper Aden study are attached for review. The rates are based upon monthly billing for 5,000 gallons.

The PSA monthly water bill for 5,000 gallons is \$44.50, which is \$1.50 less than the 90<sup>th</sup> percentile of the study. The PSA monthly sewer bill for 5,000 gallons is \$43.80, which is \$15.20 less than the 90<sup>th</sup> percentile of the study.

**4. Water Breaks / Pipe Failures at Elliston-Lafayette Elementary School**

There have been eight water main breaks on the 8” PVC pipe main to the new Elliston-Lafayette Elementary School from October 2012 to July 2015. The estimated repair cost is about \$2,500 for each repair. We kept damaged pipe joint sections from several of breaks and sent one to the pipe manufacturer for evaluation. The pipe manufacturer’s report of July 7, 2014 stated the pipe failure was the result of improper installation. A later inquiry was sent to the pipe manufacturer relative to the pipeline subcontractor claim of pipe failures due to over-compaction. The manufacturer’s response on August 24, 2015 stated “National has seen no evidence that would indicate to use (us) that the failure of these joints are due to any other cause than severe over-insertion of the integral bell.”

We brought this issue to the attention of Montgomery County Public School (MCPS) staff in September 2014 who in turn contacted the general contractor, Branch & Associates claiming a “Latent Defect” in the water line installation. The contractual relationship and responsibility for the waterline construction is between the general contractor and MCPS. The PSA took over operation of the waterline based upon certifications from MCPS.

The situation is disconcerting as the PSA is being made financially responsible for the “Latent Defect” while having done nothing wrong other than accept the certification from MCPS that the water main was properly constructed.

During the August 3, 2015 PSA Meeting, the PSA Director was instructed to send a letter (copy attached) to the Superintendent of the Montgomery County Public Schools seeking reimbursement of \$17,814.70 for repairs of the water main breaks. Due to a lack of progress, the PSA Director was instructed during the September 8, 2015 PSA Meeting to send another letter (copy attached) to the Assistant Superintendent of the Montgomery County Public Schools seeking reimbursement for the water main breaks.

A response from MCPS was received September 21, 2015 (copy attached). MCPS wrote they “have accepted your recent handoff for the school system to deal directly with Branch and Associates, Inc...” and “we will continue to help push for an immediate resolution that will ultimately serve to compensate the Montgomery County PSA for your cost to repair the water main.”

An additional response dated September 25, 2015 was received from Brenda Blackburn that stated “MCPS is a contributing member of PSA membership and as such shares with the financial liabilities of the organization.” In addition, she indicates reimbursement to the PSA would only be provided if compensation is received from the negotiations with the contractor.

**AUTHORITY MEMBERS’ REPORT**

- Member Gabriele- No Report
- Member King- No Report
- Member Perkins- No Report
- Member Creed – No Report
- Member Biggs- No Report
- Member Tuck - No Report
- Member Brown - No Report

**ADJOURNMENT**

There being no further business, the Chair adjourned this meeting to the next meeting scheduled for November 2, 2015.

ATTEST: \_\_\_\_\_  
SECRETARY/TREASURER